

FINANCIAL REPORT

STATE OF KANSAS



1985 FISCAL YEAR

Department of Administration
Division of Accounts and Reports

STATE OF KANSAS

Department of Administration

Division of Accounts and Reports

FINANCIAL REPORT

For Period

July 1, 1984 to June 30, 1985



JOHN CARLIN

Governor

DR. MARVIN A. HARDER

Secretary of Administration

DEPARTMENT OF ADMINISTRATION

JAMES R. COBLER

Director

DIVISION OF ACCOUNTS AND REPORTS

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STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION
DIVISION OF ACCOUNTS AND REPORTS

JOHN CARLIN
Governor

JAMES R. COBLER
Director of Accounts and Reports

October 25, 1985

State Office Building
Topeka, Kansas 66612-1574
(913) 296-2311

The Honorable John Carlin
Governor of the State of Kansas

Dear Governor Carlin:

Submitted herewith is the thirty-second Annual Financial Report of the State of Kansas prepared by the Division of Accounts and Reports, Department of Administration, in compliance with K.S.A. 75-3735 and the requirements contained therein.

This report includes a summarization of the financial transactions recorded in the central accounting records for the fiscal year ending June 30, 1985. These financial transactions are summarized into ten major fund class groupings which are found in Sections II through XI. In addition, information pertaining to the general long-term obligations account group of the State is provided in Section XII. Notes to the financial statements are found in Section XIII.

Of particular interest, is the condition of the State General Fund which reflects a balance at June 30, 1985, of \$100,327,216.07 that is available to finance appropriations of the succeeding fiscal year. Also of particular interest are the payments in the form of aid to local government units that amounted to \$785,894,000 or 48 percent of the expenditures made from the State General Fund during fiscal year 1985. For additional highlights pertaining to some of the major elements of the state's operation for this period, your attention is invited to the section of the report entitled "Highlights of Selected Financial Activities".

More detailed information pertaining to individual funds and other miscellaneous financial information will be published in a supplemental volume at a later date.

If this office can provide additional information or answer any questions concerning items contained in this report, please let me know.

Respectfully submitted,

James R. Cobler, Director
Division of Accounts and Reports

JRC:tja

STATE OF KANSAS
HIGHLIGHTS OF SELECTED FINANCIAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1985

STATE GENERAL FUND

The State General Fund is maintained to finance all authorized governmental activities not provided by special funds. Revenues not dedicated for special funds by law are deposited into the State General Fund. Disbursements from the State General Fund are authorized by legislative appropriation acts.

Information on the State General Fund transactions are presented below and on the following pages through the use of charts, graphs, statements and comments. Additional details on the revenues, expenditures, appropriations and balances of the State General Fund are presented in Section II of this report.

The unencumbered cash balance available to finance succeeding fiscal year appropriations at June 30, 1985 increased to \$100,327,216.07. This increase is primarily due to increased revenues which exceeded expenditures and demand transfers for fiscal year 1985 by \$26.1 million.

A comparison of the unencumbered cash balance of the State General Fund at June 30, 1985, and June 30, 1984, is presented in the statement below. A graph showing revenues, expenditures and available balances at the close of fiscal years 1976 through 1985 is presented on page ix of this report.

STATE GENERAL FUND
COMPARISON OF RESOURCES AVAILABLE FOR APPROPRIATIONS
FOR THE FISCAL YEARS ENDING JUNE 30

	<u>1985</u>	<u>1984</u>
Cash with State Treasurer at June 30 -----	\$161,613,403.98	\$131,226,169.96
Less Outstanding Obligations:		
Unredeemed Warrants -----	\$ 24,218,296.08	\$ 19,955,491.50
Unliquidated Encumbrances -----	16,989,323.14	15,678,044.62
Appropriation Balances Reappropriated -----	20,078,568.69	13,647,731.01
Total Outstanding Obligations at June 30 ---	<u>\$ 61,286,187.91</u>	<u>\$ 49,281,267.13</u>
Less Accounts and Reports and Treasurer Reconciling		
Adjustments to be Processed in Future Period --	<u>0.00</u>	<u>551.78</u>
Unencumbered Cash Balance Available to Finance		
Succeeding Fiscal Year Appropriations at June 30 --	<u>\$100,327,216.07</u>	<u>\$ 81,944,351.05</u>

STATE GENERAL FUND REVENUES

The State General Fund revenue collections for the 1985 fiscal year were \$1.65 billion as compared to \$1.54 billion for the 1984 fiscal year. This amounted to an increase of \$111 million, or 7.2 percent. An analysis of the sources of revenue discloses that \$1.6 billion, or 96.8 percent of the total 1985 fiscal year revenue was derived from tax sources. The non-tax sources of revenue amounted to \$53.5 million, or 3.2 percent of the total revenues. Page vii of this report presents pie charts showing percentages of total revenues collected. The State General Fund statement presented below indicates that the major increases in revenue collections are in the categories of Income and Inheritance Taxes (\$58.6 million), Sales and Compensating Use Taxes (\$28 million)

and Insurance Companies Taxes (\$26.3 million). The increase in Insurance Companies tax was due to the acceleration of receipts for this category per 1985 House Bill 2070, which took effect June 15, 1985. This acceleration enhances cash flow and has a one-time effect of increasing receipts for the fiscal year for this category. The remaining categories of tax revenues decreased \$3.5 million. The non-tax revenues show an overall increase of \$2.1 million which is reflected primarily in the category Revenue from the Use of Money and Property. A detailed comparative statement of operating and non-operating revenue of the State General Fund is provided in Section II of this report on pages 23 through 25.

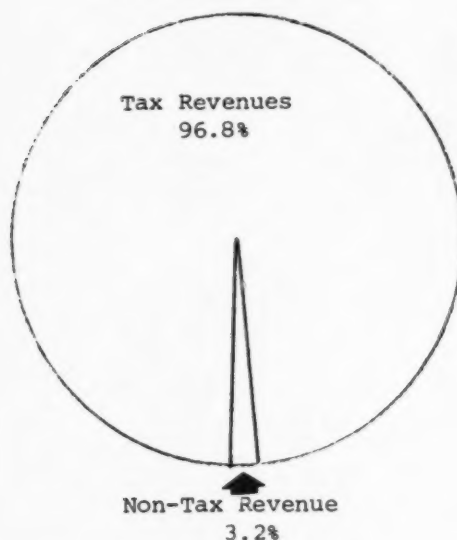
STATE GENERAL FUND COMPARATIVE STATEMENT OF REVENUE FOR THE FISCAL YEARS ENDING JUNE 30

Amount in Thousands

TAX REVENUES	1985	1984	Increase <Decrease>
Property -----	\$ 6,651	\$ 5,832	\$ 819
Income and Inheritance -----	789,371	730,746	58,625
Sales and Compensating Use-----	546,933	518,907	28,026
Cigarette -----	43,634	44,669	<1,035>
Cereal Malt Beverage -----	5,076	5,125	<49>
Liquor Enforcement -----	17,010	15,938	1,072
Liquor Gallonage and Private Club -----	13,667	13,620	47
Tobacco Products -----	1,244	1,167	77
Corporation Franchise -----	7,983	7,572	411
Wheat -----	138	118	20
Car Companies -----	949	996	<47>
Insurance Companies -----	70,599	44,305	26,294
Bingo Tax -----	270	273	<3>
Transient Guest Tax -----	74	67	7
Motor Vehicle Dealer's -----	40	39	1
Severance Tax on Minerals -----	101,290	106,112	<4,822>
Other Gross Receipts -----	10	7	3
TOTAL TAX REVENUES -----	1,604,939	1,495,493	109,446
NON-TAX REVENUES			
Agency Earnings:			
Service Charges -----	7,236	5,921	1,315
Licenses, Permits and Registrations -----	4,277	3,910	367
Sales of Commodities -----	1,467	1,165	302
Grain Marketing Assessments -----	62	82	<20>
Total Agency Earnings -----	13,042	11,078	1,964
Revenue From the Use of Money and Property -	51,292	40,276	11,016
Gifts, Donations and Grants -----	0	0	0
Other Non-Tax Revenues -----	20,468	18,187	2,281
Transfers of Revenue (Net) -----	<31,290>	<18,130>	<13,160>
TOTAL NON-TAX REVENUES -----	53,512	51,411	2,101
GROSS REVENUE -----	\$1,658,451	\$1,546,904	\$ 111,547

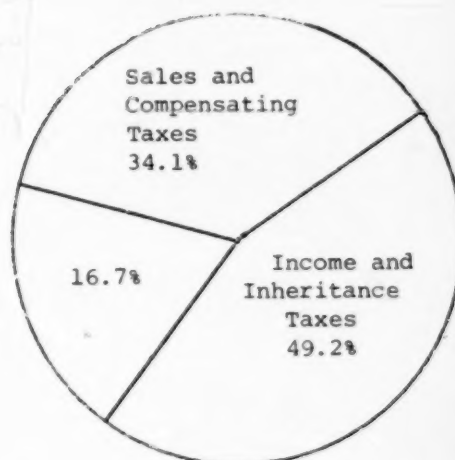
TOTAL STATE GENERAL FUND REVENUES \$1.658 BILLION

TOTAL REVENUE



Severance Tax	6.3%
Insurance	
Company Taxes	4.4%
Cigarette Tax	2.7%
Alcoholic	
Liquor Taxes	1.9%
Other Taxes	1.4%
	16.7%

TAX REVENUES



STATE GENERAL FUND EXPENDITURES

The State General Fund expenditures for the 1985 fiscal year totaled \$1.632 billion as compared to \$1.499 billion for the 1984 fiscal year. This represents an increase of \$133 million or 8.9 percent. The analysis of expenditures by object categories presented in the statement on the following page shows that the major increases are primarily reflected in Aid to Local Units (72.8 million or 10.2 percent over last fiscal year), Salaries and Wages (\$60 million, or 13.8 percent over last fiscal year), and Capital Outlay (\$8.9 million, or 83 percent over last fiscal year). All other categories show a net decrease of 8.7 million, or 2.5 percent less than last fiscal year.

The analysis of expenditures by function of government presented in the statement

on the following page shows that the major increases are in Education and Research (\$76.7 million, or 8 percent over last fiscal year) and Highways and Other Transportation (\$17.5 million, or 100 percent over last fiscal year), and Health and Hospitals (\$14.6 million, or 18.7 percent over last fiscal year). All other functions of government show a combined increase of \$25 million, or 5.4 percent more than last fiscal year.

Presented on the following page are pie charts showing percentages of total expenditures by object and total expenditures by function. Pages 26 through 28 of this report provide a detailed comparative statement of operating and non-operating expenditures of the State General Fund.